



•Mulcahy Accounting & Risk Consulting•

## William J. Mulcahy, CIA

Mayor and City Council, City of Dunwoody and  
City of Dunwoody Audit Committee  
Monday February 9, 2015

### Internal Audit work in this quarter -

- a. Continuous Monitoring of Quarterly Financial Report.
- b. Purchasing Card process and procedures, with testing of transactions in the month of October 2015.
- c. Internal Audit Plan for next quarters.

**Continuous Monitoring of Quarterly Financial Report** - This audit is deferred, as is normal for the fiscal year end, as it takes longer to close the books at year end.

**Purchasing Card Process and Procedures Report** - As part of the 2014 Internal Audit Plan, I performed the procedures listed below in the scope section on the City of Dunwoody's Purchasing Card program

### Scope -

- a. Reviewed for reasonableness the City of Dunwoody, Finance and Administration Department, Purchasing Card Policies noting the policies provide for segregation of duties between purchasing and approval and the policies had provisions for: Program Administration, Roles and Responsibilities, Use of the Card, Program Compliance and Legal Issues.
- b. Reviewed and found reasonable form that card holders are responsible to review and sign that they know, understand and will comply with the policies.
- c. Reviewed the list of card holders, noting recognizable names for Mayor, City Council, City Manager, CFO and at the same time noting a proper segregation of duties between Program Administration, Accountant, Purchaser and Auditor responsibilities.
- d. Selected the monthly statement dated October 27, 2014 with a balance of \$172,636.00 for detailed review.
- e. Read both 11 pages of the commercial account summary statement from JPMorgan Chase and 235 pages of the description and detail support of the transactions, noting reasonableness.
- f. For the largest transaction \$31,777.62, I noted it was for signage at Brook Run and supported by following purchasing policies including a bid process and issuing a RFP, in line with the policy.
- g. City procedures include verification that p-card receipts are not also used in reimbursements via accounts payable.

**Audit Summary** - In connection with the scope of my work described above, of the City of Dunwoody's JPMorgan Chase monthly commercial account statement dated October 27,

2014, I identified no city expenditures or other financial matters that I as the internal auditor determined to be not in compliance with

- a. the provisions of the charter
- b. the applicable city budget, and
- c. applicable ordinances, resolutions, or other actions duly adopted under the provisions of the charter.

The controls and procedures supporting the Purchasing Card Process and procedures were deemed adequate. In addition the policies which provide internal controls for the segregation of duties were being followed in all cases selected in the detailed test.

**Internal Audit plans for 2015 by quarter -**

- a. 1st Quarter 2015 - Municipal Court Internal Audit following up on prior audit, including quarterly reconciliations of bond liability account and outstanding fees imposed by Municipal Court of over \$1 million and 2,000 cases which should have standard monthly reports developed to track balance, aging of accounts and collections.
- b. 2nd Quarter 2015 - Process and internal controls related to permit fees and inspection fines including collections of these fees and fines.
- c. 3<sup>rd</sup> Quarter 2015 - internal controls over IT access and security surrounding Personal Identifiable Information (PII) maintained by City of Dunwoody.
- d. 4<sup>th</sup> Quarter 2015 - Procurement Card: This report will provide comments on the pcard policy, oversight of the policy and compliance with the policy, same as the prior years plus in 2015, the scope will be increased to include fuel card purchases, primarily used for police cars.

Respectfully submitted,  
William J. Mulcahy, CIA  
City Internal Auditor  
City of Dunwoody

NOTICE: Mulcahy Accounting and Risk Consulting (MARC) is a consulting and internal audit firm composed of an expert specializing in risk and advisory services. MARC is not licensed or registered as a public accounting firm and does not issue opinions on financial statements or offer attestation services.